

BEFORE THE TENNESSEE REGULATORY AUTHORITY

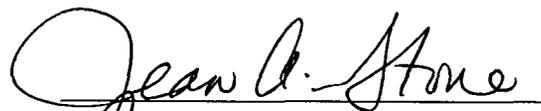
NASHVILLE, TENNESSEE

July 12, 2005

IN RE:)
)
APPLICATION OF ETC COMMUNICATIONS, LLC) **DOCKET NO.**
FOR A CERTIFICATE OF PUBLIC) **05-00118**
CONVENIENCE AND NECESSITY TO PROVIDE)
FACILITIES-BASED AND RESOLD)
COMPETITIVE LOCAL AND INTEREXCHANGE)
TELECOMMUNICATIONS SERVICES WITHIN)
THE STATE OF TENNESSEE)

ERRATUM

On June 15, 2005, the Hearing Officer issued an *Initial Order Granting Certificate of Public Convenience and Necessity* (“*Initial Order*”), which should have included a discussion of ETC Communications, LLC’s request to provide interexchange telecommunications services. The *Initial Order*, however, did grant the *Application of ETC Communications, LLC* (“*Application*”), which included that request. It was the Hearing Officer’s intent to grant a certificate of public convenience and necessity to ETC Communications, LLC to provide facilities-based and resold competing local and interexchange telecommunications services, including exchange access telecommunications services, within the State of Tennessee, as requested in the *Application*. Consistent with this *Erratum*, a copy of the corrected order is attached hereto.


Jean A. Stone, Hearing Officer

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INITIAL ORDER GRANTING CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY

This matter came before the Hearing Officer of the Tennessee Regulatory Authority (the "Authority" or "TRA") at a Hearing held on June 15, 2005, to consider the *Application of ETC Communications, LLC* (the "*Application*") filed by ETC Communications, LLC ("ETC") on April 28, 2005. The *Application* requests the Authority to grant a certificate of public convenience and necessity to provide facilities-based and resold competing local and interexchange telecommunications services, including exchange access telecommunications services, within the State of Tennessee.

Legal Standard for Granting Certificate of Public Convenience and Necessity

ETC's *Application* was made pursuant to, and was considered in light of, the criteria for granting a Certificate of Public Convenience and Necessity ("CCN") as set forth in Tenn. Code Ann. § 65-4-201 (2004), which provides, in pertinent part:

- (a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or

other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

* * *

(c) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the authority shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:

(1) The applicant has demonstrated that it will adhere to all applicable commission policies, rules and orders; and

(2) The applicant possesses sufficient managerial, financial, and technical abilities to provide the applied for services.

* * *

(d) Subsection (c) is not applicable to areas served by an incumbent local exchange telephone company with fewer than 100,000 total access lines in this state unless such company voluntarily enters into an interconnection agreement with a competing telecommunications service provider or unless such incumbent local exchange telephone company applies for a certificate to provide telecommunications services in an area outside its service area existing on June 6, 1995.¹

¹ Notwithstanding the existence of subsection (d), the Federal Communications Commission ("FCC") has expressly preempted the Authority's enforcement of subsection (d) pursuant to the authority granted to the FCC under 47 U.S.C. § 253(d) *In the Matter of AVR, L.P. d/b/a Hyperion of Tennessee, L.P. Petition for Preemption of Tennessee Code Annotated Section 65-4-201(d) (2004) and Tennessee Regulatory Authority Decision Denying Hyperion's Application Requesting Authority to Provide Service in Tennessee Rural LEC Service Area*, FCC 99-100, (Memorandum Opinion and Order) 14 F.C.C.R. 11,064 (May 27, 1999), (Memorandum Opinion and Order) 16 F.C.C.R. 1247 (January 8, 2001) The Authority has since issued an order expanding a competing local exchange carrier's CCN to provide telecommunications services on a statewide basis including areas served by incumbent local exchange carriers with fewer than 100,000 total access lines in Tennessee. See *In re Application of Level 3 Communications, LLC to Expand its CCN to Provide Facilities-Based Local Exchange and Interexchange Telecommunications Services in all Tennessee Service Areas*, Docket No. 02-00230, *Order Approving Application of Level 3 Communications, LLC to Amend Its Certificate of Public Convenience and Necessity* (June 28, 2002)

Furthermore, pursuant to Tenn. Code Ann. § 65-5-112 (2004), a competing telecommunications provider is required to file with the Authority (1) a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses, and (2) information on programs that might provide technical assistance to such businesses.

The June 15, 2005 Hearing

Pursuant to Tenn. Code Ann. § 65-4-204 (2004), public notice of the Hearing in this matter was issued by the Hearing Officer on May 16, 2005. No persons sought intervention prior to or during the Hearing. At the Hearing held on June 15, 2005, Mr Roger Futch, President and Chief Operating Officer, participated in the Hearing and was subject to examination by the Hearing Officer. D Billye Sanders, Esq , Waller, Lansden, Dortch & Davis, 511 Union Street, Suite 2100, Nashville, Tennessee 37219-1750 and Joshua H Seidemann, Esq., Kraskin, Moorman & Cosson, 2120 L Street, N.W , Suite 520, Washington, D C. 20037, appeared on behalf of ETC. Upon ETC's conclusion of the presentation of its proof, the Hearing Officer granted ETC's *Application* based upon the following findings of fact and conclusions of law:

I. ETC Communications, LLC's Qualifications

1. ETC is a limited liability company originally organized under the laws of the State of Georgia on November 19, 1997, and was qualified to transact business in the State of Tennessee on February 3, 2005.

2. The complete street address of ETC's registered agent is Laura M. Crawford, 337 Main Street, Ducktown, Tennessee 37326. The complete street address of ETC's corporate office is 224 Dalton Street, Ellijay, Georgia 30540. The telephone number is (706) 276-2271 and the facsimile number is (706) 697-5636.

3. The *Application* and supporting documentary information existing in the record indicate that ETC has the requisite technical and managerial ability to provide competitive access services and transport telecommunications services within the State of Tennessee. Specifically, ETC's senior management team possesses extensive business, technical, operational and regulatory telecommunications experience.

4. ETC has the necessary capital and financial ability to provide the services it proposes to offer.

5. ETC has represented that it will adhere to all applicable policies, rules and orders of the Authority.

II. Proposed Services

ETC intends to provide facilities-based and resold competing local and interexchange telecommunications services, including exchange access telecommunications services, within the State of Tennessee.

III. Permitting Competition to Serve the Public Convenience and Necessity

Upon a review of the *Application* and the record in this matter, the Hearing Officer finds that approval of ETC's *Application* would inure to the benefit of the present and future public convenience by permitting competition in the telecommunications services markets in the State and by fostering the development of an efficient, technologically advanced statewide system of telecommunications services.

IV. Small and Minority-Owned Telecommunications Business Participation Plan and Business Assistance Program

ETC has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-112 (2004) and the Authority's Rules.

V. Compliance with Tennessee's County-Wide Calling Requirements

ETC has indicated its awareness of, and its obligation to comply with, the requirements of county-wide calling as set forth in Tenn. Code Ann. § 65-21-114 (2004).

IT IS THEREFORE ORDERED THAT:

1. The *Application of ETC Communications, LLC* filed by ETC Communications, LLC is approved; and
2. Any party aggrieved by the Hearing Officer's decision in this matter may file a petition for reconsideration within fifteen (15) days from and after the date of this Order.


Jean A. Stone, Hearing Officer